



2007-2009 Community Services Facilities (CSF) Grant Guidelines

COMPETITIVE GRANT PROGRAMS:

- Building for the Arts ■
- Community Services Facilities ■
- Youth Recreational Facilities ■

OTHER GRANT PROGRAMS:

- Local Capital Projects ■
- Local / Community Projects ■
- Jobs In Communities ■

Up to \$1,000,000 for nonresidential social services

There is no minimum grant award amount

Small and rural projects are encouraged to apply!

As much as 25 percent state match of eligible project costs

Application Deadline: Friday, June 16, 2006 at 5 p.m.

Grant application workshops:

Monday, May 15, 2006 in Tukwila and

Thursday, May 18 in Moses Lake (see back page for details)

Join our listserv:

<http://listserv.wa.gov/archives/capital-programs.html>

CTED Capital Programs

P.O. Box 42525

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STATE OF WASHINGTON

DEPARTMENT OF COMMUNITY, TRADE AND ECONOMIC DEVELOPMENT
906 Columbia St. SW • PO Box 42525 • Olympia, Washington 98504-2525 • 360/725-3020

Dear Reader:

This is the seventh funding cycle for the Community Services Facilities (CSF) program. Not only was this program recently reauthorized by the Legislature, but its funding level was more than doubled to \$10 million. This has allowed us to increase the maximum award to \$1 million. However, we are as committed as ever to assisting smaller and rural social service facilities.

The citizen advisory board that ranks CSF grant applications is painfully familiar with the budgetary and management pressures faced by today's nonprofits. That's why we have strived to keep the application process as streamlined and user-friendly as possible. Although the new application form (posted on our website) is similar to the one used in the last funding cycle, it has been updated to address some significant changes in state law and administrative procedures. These are summarized on Page 3.

Those of you who are familiar with our other competitive grant programs will notice many commonalities. However, the CSF program does have a few unique requirements, so please carefully read these guidelines before applying.

Steven Salmi is the lead contact for the CSF program, but if he is not available feel free to talk with myself or Michael Kendall (see Page 3 for contact info). Before submitting an application I'd strongly encourage you to join our listserv, attend a grant application workshop, and discuss your project with our staff. We look forward to learning about your project.

With Best Regards,

Daniel Aarthun, Manager
CTED Capital Programs

PS: If you are unsure about whether to apply for a CSF grant, be sure to contact us. We may be able to suggest creative ways to align your goals with our rules.

POLICY CHANGES FOR 2007-2009

Maximum award increased to \$1,000,000

The award cap has been increased from \$400,000 to \$1,000,000 for the upcoming application cycle. Remember that we can still only award up to 25 percent of eligible project costs. *See 3.13 on Page 15*

State prevailing wages required for construction labor

As a result of a recent court ruling, construction and renovation projects will be required to pay state — not federal — prevailing wages. *See 3.7 on Page 14*

Many grantees may need to meet LEED silver standard

A new law requires compliance with high-performance building standards, but there are two types of exemptions. You may apply for an exemption *before* submitting a grant application. *See Page 9*

Archeological review may be required for some projects

Construction projects that disturb ground and/or involve facilities more than 50 years old may be reviewed by a state agency. *See 3.8 on Page 14*

We've clarified our rules on partnerships

There must be a lead organization that applies for a CSF grant. A local government or tribe may be a partner, but the applicant must be a nonprofit, and it must possess significant authority in managing the facility and its social services. *See 1.5 on Page 6*

Project management expenses no longer reimbursable

Grantees may be reimbursed for costs directly related to construction management, but not for project management costs. *See 3.14 on Page 16*

Limits placed on loans and volunteer labor

Applicants can continue to draw upon loans and volunteers as much as they need to, but we have capped the amounts that can be applied to our "percentage of funds raised" calculation used to help rank applications. *See boxes on Page 15 and 16*

CTED Capital Programs

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SEVEN STEPS TO GETTING A GRANT

STEP 1: *Decide whether you are eligible — and ready to apply*

This is a highly competitive grant program. So before starting to write your grant application we strongly encourage you do your homework (see boxes on pages 7 and 12). Also take a look at our timeline for awarding funds to make sure that it fits with your cash-flow needs (see box on Page 10).

STEP 2: *Decide whether to seek LEED certification or an exemption*

If you wish to apply for an exemption you can do so at any point between now and when grant applications are due. If you apply for an exemption soon, you can find out whether your request is accepted before deciding whether to prepare a grant application (see Page 9).

STEP 3: *Complete your application packet*

Your chances of success in obtaining a grant are heightened by following all instructions for putting your application packet together. You can download an application template from our website (www.cted.wa.gov/CapitalPrograms).

STEP 4: *Discuss your project with our advisory board*

Applicants whose projects make it past a preliminary staff review will be invited to testify before the CSF Advisory Board (see 2.7 on Page 11).

STEP 5: *Negotiate a contract*

If the board recommends your project for funding and it is included in the 2007-2009 Capital Budget signed into law, CTED Capital Programs will draft a contract with your organization before releasing funds. See pages 13-16 for contracting requirements — some of which you should start thinking about now.

STEP 6: *Submit reimbursement materials*

This is a reimbursement-style grant. That means no advance payments (see 3.2 on Page 13), but we've worked hard to make the paperwork straightforward. Funds will likely become available by September 2007 (see 3.4 on Page 13). Note, however, that grantees must meet a number of conditions before funds can be released (see 3.5 on Page 13).

STEP 7: *Close out your contract*

After you have received all of your grant funds, you will need to do a few fairly painless tasks, such as installing a plaque and filling out a short close-out report (see 3.9 on Page 14). We may also conduct a site monitoring visit (see 3.6 on Page 14).

We have a strong commitment to supporting smaller facilities and those serving rural parts of the state. If you aren't sure about whether to apply for a CSF grant, don't feel shy about talking to us. We're here to help you succeed!

This publication is available in an alternative format upon request. Events sponsored by CTED are accessible to persons with disabilities. Accommodations may be arranged with a minimum of 10 working days notice by calling 360/725-3020.

PART 1: PROGRAM BACKGROUND

1.1 Program purpose

This program awards state grants to nonprofit, community-based organizations to defray up to 25 percent of eligible capital costs for the acquisition and/or *major* new construction or renovation of community-based nonresidential social service projects.

The maximum grant award for the 2007-2009 Biennium is \$1,000,000. *There is no minimum grant award amount.* The CSF Advisory Board, which ranks grant applications, reserves the right to modify requested amounts.

Acquisition of bare land must be accompanied by the construction of a usable facility to be an eligible project.

CSF is a state program funded entirely through the sale of state bonds. No federal dollars are involved. This program operates under RCW 43.63A.125. For statutory language go to www.leg.wa.gov/rcw/

1.2 Applicant eligibility

All applicants must meet the fol-

lowing eligibility standards *at the time the application is submitted*:

- be registered in the state of Washington as a nonprofit organization;
- possess a current or advance ruling 501(c)3 Internal Revenue Service registration;
- have a legally constituted board of directors;
- agree to enter the LEED certification process or receive an exemption from us (see Page 9);
- certify that state prevailing wages were or will be paid for all construction labor (see 3.7 on Page 14);
- have made substantial progress in (or completed) a capital fundraising campaign dedicated to the project; and
- have control of the project site either through ownership or a long-term lease (five years minimum with an option to renew).

1.3 Eligible projects

A proposed project must:

- be a nonresidential facility (i.e., does not include more than a bed for a

"The legislature finds that nonprofit organizations provide a variety of social services that serve the needs of the citizens of Washington, including many services implemented under contract with state agencies. The legislature also finds that the efficiency and quality of these services may be enhanced by the provision of safe, reliable, and sound facilities, and that, in certain cases, it may be appropriate for the state to assist in the development of these facilities."

— Excerpt from enabling legislation, RCW 43.63A.125

What constitutes a 'major' project?

All of our competitive grants only fund new construction or renovation that is "major" in scope. We do not consider such a project to be general maintenance and repairs, or Americans with Disabilities Act (ADA) upgrades. *An aggregation of ordinary maintenance items does not constitute a major project, regardless of its cost.*

The installation of an elevator would not be fundable as a stand-alone project. Nor would replacing a roof or installing energy-efficient windows in a smaller building,

purchasing bleachers, expanding a parking lot, or adding a security system. On the other hand, these would be eligible costs if included as part of a larger project.

When drawing a line between a major and minor project we consider the complexity of the project. Another factor could be the greater difficulty of funding capital projects in rural parts of the state. That's why we strongly encourage you to contact CTED Capital Programs staff if you are unsure whether your project is eligible.

This is not a funding source for medical facilities, inpatient mental health treatment centers, homeless shelters, transitional housing, retail operations, or community centers.

** State agencies may not be a significant beneficiary of the resulting facility. This is because they have greater access to state dollars than local jurisdictions and nonprofits.*

night watchman); and

- consist of the major new construction, renovation, or acquisition of a facility used primarily for community-based social services.

Eligible social services include outpatient mental health facilities (e.g., for drug treatment). Indoor recreational facilities are eligible if they are integral to social services offered on site.

Social services should generally be the dominant use of the facility, e.g., in terms of square footage, usage patterns, and/or the presence of specialized equipment and facility design features.

One exception is a mixed-use project (see 1.7 on Page 6).

1.4 Ineligible projects

Ineligible projects include:

- medical facilities (these include dental and eye care services);
- inpatient mental-health facilities, homeless shelters, transitional housing, and camping facilities;
- community gardens and environmental learning centers without a significant social service component;
- retail operations such as thrift stores and farmers' markets; and
- libraries and community centers (community centers are facilities used for a diverse range of social activities).

1.5 Partnerships

Partnerships will be considered, but one of the parties must be designated as the lead agency and submit the application on behalf of the partnership.

The applicant must be a 501(c)3 nonprofit. Local jurisdictions* or tribes may partner with the applicant, but the nonprofit must exercise substantial control over the facility's management.

All partnerships must provide with

their application a copy of an executed joint-operating agreement that:

- establishes the applicant (the nonprofit organization) as possessing substantial authority to manage the facility and its social services; and

- contains a contingency plan to address the possibility of dissolution or other change of ownership, with the objective being to protect public funds.

Nonprofit-public partnerships can be valuable in developing and sustaining social service facilities, particularly in geographically isolated or economically disadvantaged areas. However, this grant program's legislative intent is to fund nonprofits, which do not have the taxing and bonding authority of governmental entities.

Nonprofit-public partnerships will thus be assessed for whether their project will primarily benefit the community at large rather than the participating public agency's clients or students. These partnerships must also demonstrate financial need.

1.6 LLCs and nonprofits

The applicant's facility may be owned by a limited liability corporation (LLC) as long as the nonprofit holds the majority interest through the duration of a tax credit program.

At the conclusion of the program the facility may be placed in an LLC if it is wholly owned by the nonprofit.

The applicant must be able to demonstrate that it is receiving a significant benefit from the arrangement through a reduction in the capital costs of the social service facility.

1.7 Mixed-use facilities

A social service facility that is part of a larger, mixed-use project may be

eligible for funding. This type of project is funded at 25 percent of the eligible capital cost of the social service component only.

1.8 Multiple applications

Organizations with multiple facilities can apply for up to three CSF grants. Note, however that we strive to broadly distribute funds among social services throughout the state (see box on Page 11).

If an individual facility is eligible for more than one of our competitive grant programs, an applicant may only submit one grant request per project.

There is one exception to the above rule: A mixed-use project with multiple participants may submit an application to more than one of our programs if the applicants are different and requested funding will be used for discrete portions of the facility.

1.9 Are 'seconds' allowed?

Facilities that have previously received a CSF grant are ineligible for additional funding unless:

- the project's scope of work has

significantly changed and CSF funds have not yet been drawn down; or

- what is proposed is a different project, or a discrete new phase of the previous project.

1.10 Dates to remember

The CSF program operates on a biennial (two-year) grant cycle. Awards are not finalized until the 2007-2009 Capital Budget is signed. Grantees may not begin receiving their funds until roughly September 2007 (see box on Page 10). Applicants should be cautious in using these dates for cash-flow planning purposes (see 3.4 on Page 13). In addition, grantees cannot get access to their funds until all requirements have been met (see 3.5 on Page 13).

1.11 Program history

The CSF program was created in 1995 to coordinate the many funding requests for social service projects. Almost \$28 million in CSF grants have been appropriated. See our web page for a list of funded projects, 1995-2003. See Page 8 for a description of awarded grants for the 2005-2007 Biennium.

If you are unsure about how any of these rules apply to your specific project, be sure to talk to CTED Capital Programs staff before submitting an application.

Four ways to do your homework

1. **Carefully read the program guidelines.** We strongly recommend that you take the applicant readiness self-assessment on pages 17-18.
2. **Attend a workshop.** Even experienced grant writers may benefit from attending one of our CSF grant application workshops (see back page).
3. **Contact CTED Capital Programs staff.** Steven Salmi is the lead contact for CSF, but you can also speak with other CTED Capital Programs staff (see Page 3 for contact info). Email is usually ideal for an initial inquiry. Include with your questions a brief but thorough project summary. We are a small shop and respond to queries on a first-come, first-served basis.
4. **Sign up for our listserv.** You'll get news and advice on applying for all of our competitive grants. Go to: <http://listserv.wa.gov/archives/capital-programs.html>

2005-2007 CSF funded projects

Rank	Grantee	Project title	Location	Award	Project summary
1	Abused Deaf Women's Advocacy Services	Abused Deaf Women's Advocacy Services	Seattle, King Co.	\$400,000	Construct a 9,200-sq.-ft., mixed-use facility includes social services.
2	YouthCare	YouthCare Orion Center	Seattle, King Co.	\$350,000	Renovate and expand an 18,000 sq. ft. youth services center that includes health services.
3	Pike Market Senior Center	Pike Market Senior Services Expansion	Seattle, King Co.	\$310,000	Construct a 6,549 sq. ft. facility for hot meal and social services for seniors.
4	Friends of Gladish	Gladish Children's Program Renovations	Pullman, Whitman Co.	\$25,000	Renovate Pullman High School for expanded YMCA programs serving children.
5	FareStart	FareStart	Seattle, King Co.	\$400,000	Purchase and renovate a 28,800 sq. ft. facility that provides food service training for homeless.
6	Denise Louie Education Center	Denise Louie Education Center	Seattle, King Co.	\$400,000	Renovate and expand a Head Start facility to 7,494 sq. ft.
7	Rural Resources Community Action	Newport Head Start	Colville, Pend Oreille	\$170,000	Construct a 4,888 sq. ft. facility for pre-school services.
8	Jumping Mouse Children's Center	Jumping Mouse Children's Center Facility	Port Townsend, Jefferson Co.	\$45,000	Purchase and renovate a 2,220 sq. ft. facility providing mental health services for children and families.
9	Compass Center	Compass Center	Seattle, King Co.	\$400,000	Renovate an earthquake-damaged facility and a connecting building for homeless services.
10	Neighborhood House	Neighborhood House Rainier Vista Center	Seattle, King Co.	\$550,000	Acquire property and construct a 10,300 sq. ft. facility for social and educational services.
11	Behavioral Health Resources	Behavioral Health Resources	Olympia, Thurston Co.	\$400,000	Exercise lease-purchase option for a facility that will initially devote 14,885 sq. ft. to social services.
12	Salvation Army Renton Corps	Renton Food Bank/ Family Support Center	Seattle, King Co.	\$350,000	Construct a 7,610 sq. ft. food bank distribution facility.
13	Metropolitan Development Council	MDC Early Childhood Center	Tacoma, Pierce Co.	\$110,000	Acquire and renovate a 4,200 sq. ft. early childhood center.
14	Lutheran Community Services	Lutheran Community Services Building	Burien, King Co.	\$400,000	Construct a 30,000 sq. ft. building to house a variety of social services.
15	Olympia Child Care Center	Olympia Child Care Center Expansion	Olympia, Thurston Co.	\$90,000	Renovate and enhance a childcare satellite facility.
16	Kitsap Community Resources	Kitsap Community Resources Center	Bremerton, Kitsap Co.	\$735,000	Acquire property and construct a 18,000 sq. ft. facility for various community action council programs.
17	Northwest Youth Services	Northwest Youth Services Headquarters	Bellingham, Whatcom Co.	\$210,000	Loan paydown and renovation of a 6,800 sq. ft. facility that provides services to youth and families.
				\$5,345,000	TOTAL AWARDS

New law seeks high-performance buildings

The 2005 Washington State Legislature passed a law that may require many of our competitive grant recipients to comply with what has been termed “high-performance” or “green” building standards (RCW 39.35D).

The goal is for major construction or renovation projects receiving state funds to be built to the LEED silver standard where “practicable.” LEED (which stands for Leadership in Energy and Environmental Design) is a certification program run by the U.S. Green Building Council.

According to the American Institute of Architects, high-performance buildings are cheaper to operate, save water and energy, and improve worker performance.

These building principles offer the most savings when incorporated early in the design process. That’s why ***we strongly encourage you to talk with your architect as soon as possible.***

The first issue you may wish to explore is whether your project is required to meet the LEED silver standard. The law offers two types of exemptions.

Exemption 1: Facility types

Four facility types are exempt:

- acquisition-only projects;
- new construction less than 5,000 gross square feet of occupied or conditioned space as defined by the State Energy Code;
- renovation projects whose costs are less than 50 percent of the facility’s assessed value *and* are less than 5,000 gross square feet of occupied or conditioned space; or
- facilities such as hospitals; research facilities primarily used for laboratory experimentation, research, or training in research methods; or similar building types.

Exemption 2: ‘Not practicable’

We may exempt applicants who demonstrate that it would be “not practicable” to meet the LEED silver standard. We are not permitted to offer this exemption solely because of cost, but may if design is complete or the project is a piecemeal renovation.

Pre-application exemption requests

You don’t need to wait until you turn in a grant application to find out if your project will be exempted. Our website has a *LEED Certification Declaration* form that you and your architect fill out. If you are seeking a “not practicable” exemption, in the form you provide a rationale for your request (your architect may be helpful here). We will quickly let you know if your exemption is approved.

Checklist gives you bonus points

Everyone who submits a grant application is required to have their architect fill out a LEED checklist, which is part of the *LEED Certification Declaration* form.

For every point you earn on the checklist you will receive one fourth of a bonus point in our grant application scoring criteria, up to 10 points (see 2.1a on Page 18). For example, if you received 20 points on your checklist, your score would be increased by five bonus points.

Visit our web page and talk to us

We’ve created a web page devoted to this new requirement. You’ll find the *LEED Certification Declaration* form, and links to grant opportunities that may help you cover extra up-front costs. If you feel that this new requirement poses a hardship for you, don’t give up on applying for a CSF grant without talking to us first.

If you think this requirement poses a genuine hardship for your project, please don't give up on applying for a CTED Capital Programs grant without talking to us.

See Page 19 for access to high-performance building resources.

The CSF Advisory Board includes grant officers from major foundations. The caliber of your application and board presentation could influence your project's success with funding sources beyond our program.

** In addition to submitting hard-copy materials, we require that you send us a completed application form as an email attachment. This is also due Friday, June 16 at 5 p.m. For details download the application template, which is posted on our website.*

PART 2: THE REVIEW PROCESS

2.1 LEED exemptions

All applicants are required to enter the LEED certification process or get an exemption. You may do the latter before applying for a grant or as part of your application (see Page 9).

2.2 Application submissions

Applications must be postmarked or received by Friday, June 16, 2006 at 5 p.m.* We prefer that they be mailed rather than hand delivered. Please use the post office box address listed on the front page of these guidelines.

If hand delivered, your application must arrive at our office by 5 p.m. on the above deadline date (our street address is listed on Page 3).

In the interest of fairness, deadlines will be strictly observed and applications received after the deadline will be returned without review. Note that “postmark” refers to a United States Postal Service (USPS) postmark. Applications sent by facsimile machines (FAX) will not be accepted.

2.3 Preliminary review

After the submittal deadline, staff will review applications for eligibility and completeness. Those that are incomplete or do not meet eligibility standards will not be forwarded to the CSF Advisory Board for review.

Qualifying applications may also be ranked by staff using the scoring criteria discussed on Page 18. Due to the large number of applications we receive, CTED reserves the right to not forward the least competitive proposals to the board for review.

2.4 Applicant notification

After the preliminary review, each applicant will receive written notification from CTED Capital Programs as to whether their project has been forwarded to the advisory board.

Successful applicants will receive details about participation in a work session of the board (see 2.7 on Page 11). Those whose projects are not forwarded will be informed of the reasons in writ-

2007-2009 CSF GRANT DATES

CSF grant application workshops (west/east)	May 15 and 18, 2006
Applications due (no exceptions)	June 16, 2006 at 5 p.m.
Notification of preliminary review results	Mid-July, 2006
CSF Advisory Board work session	August 3 and 4, 2006
Recommendations forwarded to governor	September 2006 (estimated)
Governor releases proposed capital budget	December 2006 (estimated)
2007-2009 Capital Budget signed into law	June 2007 (estimated)
CTED Capital Programs may begin disbursing funds	September 2007 (estimated)
Expiration of funds without legislative action	June 30, 2009

What is a competitive project?

The CSF Advisory Board's recommendations are based upon the numerical rankings summarized on Page 18 *and* qualitative factors that include distributing funds as fairly as possible around the state and among types of services.

Application reviewers are looking for well-planned projects that are cost-effective responses to pressing needs, display broad support, and will be completed promptly and managed effectively.

As with our other competitive grant programs, CSF applicants who are farther

along in their fundraising will tend to do better than those who aren't. At the same time, the CSF board reserves the right to prioritize projects with less access to alternative sources of funding.

The more complex your project, the more important it is to talk with us before writing your application. As a case in point, partnerships will be considered, but the CSF board will look at the stability of the relationship, the transparency of the financial arrangements, and the public benefit (see 1.5 on Page 6).

ing, and are encouraged to discuss with our staff how to prepare a more competitive grant for a future funding cycle.

2.5 Advisory board role

The CSF Advisory Board helps develop program policy, reviews applications, and recommends projects for funding. The board consists of volunteers from the public and private sectors with demonstrated expertise in funding, administering, or advocating for social service organizations.

The board includes grant officers from major foundations. The caliber of your application and presentation before the board could influence your project's success with funding sources beyond our program.

The scoring criteria used by the board is summarized on Page 18.

2.6 Appropriations process

The board will forward its recommendations, in the form of a prioritized list, to the CTED director in the summer of 2006. If approved by the director, the list will be included in the agency's

2007-2009 Capital Budget request, which is submitted to the governor's budget office. If approved by the governor, the list will be included in her 2007-2009 Capital Budget request.

The 2007 Legislature makes the final determination as to which projects, if any, receive CSF grants, and the dollar amounts to be provided for the 2007-2009 Biennium. The governor must sign the capital budget before an appropriation is finalized (for availability of funds, see 3.4 on Page 13).

2.7 Testimony before board

The CSF Advisory Board is scheduled to convene a work session in SeaTac on Thursday and Friday, August 3 and 4, 2006.

Applicants will be given time to offer testimony about their proposals and answer questions from board members. You are not required to attend in order to be considered for funding.

The allotted time will range from 10 to 20 minutes, depending on the number of applications forwarded to the board. We strongly encourage concise, low-

Applicants that rank highest have usually raised more than 50 percent of their project budget. Those less far along in capital campaigns must show evidence of their ability to promptly raise all needed funds.

The scope of your project may not be significantly changed once you submit an application. This is one reason why you may wish to wait until the next grant cycle if your project is in an early stage of development (see 2.8).

tech presentations with as few presenters, props, and handouts as possible. You can best respond to any board concerns about your project by allotting plenty of time for questions. Presenters should have nuts-and-bolts knowledge of the project and the application.

2.8 Apply now or wait?

The biennial nature of our funding cycles can make judgments about when to apply for a CSF grant more complex. CTED Capital Programs staff can help you think through your options.

The applications that rank highest are usually by organizations which have raised upwards of 50 percent of funds needed to complete their project. This is because CSF funds come from the sale of state bonds. When a grantee does not promptly spend its award, that ties up the state's bonding capacity.

The board has funded projects that were not as far along in their fundraising if they excelled in other respects (see box on Page 11; Page 18). How-

ever, an applicant that is less far along in its capital campaign needs to show evidence of its ability to promptly raise all needed funds.

Be sure that your project's scope has solidified before you apply. If you are awarded funds, we cannot write a contract that significantly deviates from your application (see 3.1 on Page 13).

2.9 Misrepresentation

Any organization that presents false or misleading information in their application will be disqualified. Such statements can color your organization's reputation not only with CTED but also with members of our board who are grant officers for some of the state's largest foundations.

2.10 Appeals

Award decisions are final and cannot be appealed. However, staff would be happy to assist in strategizing how to develop an application for a future funding cycle.

Five ways to write an effective application

1. **Follow the directions.** The review process quickly bogs down when applications aren't packaged the way we need them. So please don't answer the question you preferred rather than the one we asked, or staple materials when we asked for them to be paper clipped. If any instructions are unclear, feel free to ask us questions.
2. **More isn't better.** Please don't include in your application any materials not requested. Staff will discard them so board members aren't buried in paperwork.
3. **Don't apply if you aren't a good fit.** Remember that the CSF Advisory Board includes grant officers from some of the state's leading foundations. Just as a well-crafted application could open doors, the opposite is also possible.
4. **Don't apply until you are ready.** As discussed in 2.8 (above), think through your timing options. Sometimes it is better to wait until the next round.
5. **Focus on relationship building.** Quite a few of our applicants who did not initially receive funding did so in a subsequent round. They were ultimately successful because they took the time to learn more about the nuances of this grant program.

PART 3: CONTRACTING SPECIFICS

3.1 Funding restrictions

This program is funded through the sale of state capital bonds, and include no federal funds.

We strive to administer funds expeditiously and with a minimum of red tape. We do so within the policies and procedures established by the Legislature, the state Office of Financial Management, the Treasurer, and the Office of the Attorney General. We must also comply with federal arbitrage regulations.

CSF awards are funded through an appropriation in the capital budget. A grant can only be spent by the designated organization for costs that fit the scope of work listed in the grant application. In other words, ***the application becomes a controlling document that guides how a grant can be spent.***

3.2 Cost reimbursement

Capital budget funds are available on a reimbursement basis only, and cannot be advanced under *any* circumstances. Reimbursable costs are those that a grantee has already incurred and paid, or costs payable within 30 days.

We may reimburse grant recipients for costs incurred prior to the date a contract is executed, and as far back as July 1, 2004. The project start date must be accurately stated in the application in order for us to do so.

3.3 Matching funds

CSF grants may be used to pay up to 25 percent of *eligible* project costs (see 3.13, Page 15). We cannot match other state grants; this is why these funds are not included in your CSF grant application's project budget.

Non-state matching funds may consist of cash on hand, credit, documented pledge commitments, the value of land acquired for the project, and in-kind contributions when properly documented (see box on Page 15).

Grantees may also include the proceeds of a letter of credit or other binding loan commitment as part of their non-state matching funds. The value of land used as non-state match must be supported by an appraisal performed by a certified professional appraiser.

3.4 Availability of funds

Funds are expected to be available mid-August to early September 2007, but that can vary depending upon factors such as when the state budget is approved. A contract cannot be written until the grantee has met all funding conditions (see 3.5 below).

Contracts generally take three to four weeks to execute once the grantee provides us with all needed information. Contracts are developed on a first-come, first-served basis.

Due to these uncertainties, grantees are advised to talk with CTED Capital Programs staff before building state funds into their cash-flow projections.

3.5 Contracting conditions

Three requirements must be met before grantees can begin drawing down their grant funds.

■ Grantees must demonstrate in writing the financial capability to complete the project. This generally means that the entire amount of non-state matching funds must have been committed (but not necessarily in hand).

This is a reimbursement-style grant, and you may start drawing down funds only after all other money needed to complete the project has been raised (see 3.5). However, you can receive reimbursement for any eligible costs incurred as far back as July 1, 2004 (see 3.2).

State (as opposed to federal) prevailing wages are now required of all construction projects funded by this grant program (see 3.7).

■ Grantees must provide written evidence of site control, either through outright ownership of the subject property or a long-term lease (at least five years with an option to renew).

■ The projects of some grantees may be reviewed by the state Dept. of Archeology and Historical Preservation (DAHP). This review must be satisfactorily completed before a contract can be developed (see 3.8).

3.6 Documenting expenses

We reimburse grantees only after receiving copies of the original billing documents (invoices). We may, at our discretion, accept accounting ledger statements for minor, miscellaneous costs in lieu of original billing documents. In all cases, costs must be documented and auditable. Your project may be selected for site monitoring.

3.7 Prevailing-wage law

As a result of a recent court ruling, construction projects that receive any of our grants are required to pay state prevailing wages. Construction labor includes landscaping.

Acquisition-only projects are exempt from state prevailing wage law (RCW 39.12). Note that these projects must result in a usable facility.

The Department of Labor and Industries is the state agency that implements prevailing wage law. For more

information, contact Industrial Statistician David Soma at 360/902-5330 or somd235@LNI.wa.gov

3.8 Archeological review

Some projects may need to be reviewed for archeological and cultural resources. This is required of projects not undergoing a Section 106 review under the National Historic Preservation Act if the project:

- disturbs ground, and/or
- involves structures more than 50 years old.

Projects that fit these criteria and are recommended for funding by the CSF Advisory Board will be given further information about the review process.

3.9 Close-out provisions

We have a few requirements once your grant is cashed out. These include the purchase and installation of a plaque and the submittal of a close-out report.

3.10 Reappropriations

Some grant recipients may not be able to expend all of their funds by the end of the 2007-2009 Biennium (June 30, 2009). Any unexpended funds will lapse unless reappropriated. Although not legally obligated to do so, the Legislature generally reappropriates unspent funds for long-term capital projects such as those funded through CSF.

Grants are subject to an administrative fee

CTED Capital Programs is authorized to retain up to 3 percent from each award to cover all administration costs (this is our sole source of funding; we receive no state General Fund dollars). For the 2005-2007 Biennium we retained 2 percent from competitive grants such as those offered by the CSF program. Keep this in mind as you build your project budget.

3.11 Rescinding funds

If an organization does not begin drawing down its funds within 12 months of the start of the biennium (by July 1, 2008), we reserve the right to rescind that group's authorization and reallocate the funds to the next organization on the CSF award list. If this occurs, the organization may reapply for funding in future grant cycles.

3.12 Change of ownership

Most of the capital projects constructed with state funds require that the facility or project be held by the grantee for a period of time appropriate to the amount of the state grant (in most cases a minimum of 10 years), and that the facility or project be used for the same purpose expressed in the enabling legislation or contract.

3.13 Eligible costs

Capital budget funds may generally be used to pay for the following construction-related expenses incurred as far back as July 1, 2004:

- design, architectural, and engineering work;
- building permits/fees;
- archeological/historical review;
- construction labor and materials;
- demolition/site preparation;
- capitalized equipment;
- information technology infrastructure (cables and wiring);
- construction management (*from external sources only*)*;
- initial furnishings**;
- landscaping, and
- real property when purchased specifically for the project, and associated costs.***

When completing your application, remember that your state match is calculated from total eligible costs, which may differ from your total project costs (see 3.3 and 3.13).

How should in-kind donations be handled?

You may apply in-kind donations toward your match requirement. Eligible donations include property, labor (except when donated by an applicant's paid staff), materials, or equipment as long as their value can be properly assessed and documented.

For example, the value of donated real estate must be documented by an appraisal performed by a certified professional appraiser.

We treat in-kind professional and nonprofessional labor differently. Professional labor is calculated at the rate a volunteer would normally charge for his or her services (be sure to document these costs with invoices). Nonprofessional labor is calculated at \$10 per hour. This can be documented with a memo itemizing the type of work done and number of

hours worked by your volunteers.

There is no limit to the portion of in-kind donations that can be applied to your non-state match. However, we reserve the right to make the final determination regarding the acceptability of in-kind contributions.

The CSF board is wary of projects too dependent on in-kind donations, particularly if they are heavily leveraged with loans (see box on Page 16). This is why the amount of nonprofessional, in-kind labor you can receive credit for in our formula points is capped at 10 percent of project costs (see 2.1a on Page 18).

In general, reviewers look for evidence that an applicant has the ability to raise the funds needed to complete the project and cover its ongoing costs of operation.

Construction management does not include work performed by off-site consultants or consultant organizations, grant writers, or project managers. (see 3.14)

3.14 Ineligible costs

Our grants are intended to fund bricks and mortar. This is why the following costs are not eligible for reimbursement and *cannot be used to match state funds*:

- internal administrative activities;
- project management (from any sources);
- fundraising activities;
- feasibility studies;
- computers or office equipment;
- rolling stock (such as vehicles);
- lease payments for rental of equipment or facilities;
- property leases (including long-term); and
- the moving of equipment, furniture, etc., between facilities.

3.15 Loan paydowns/payoffs

We can assist in paying down or paying off a construction or bridge loan that was incurred on or after July 1,

2004 as part of the project. CSF grants cannot be used to refinance debt, e.g., to pay down a mortgage regardless of when it was incurred. However, we can assist in paying off a mortgage if it was incurred on or after July 1, 2004.

*** Construction management and observation** is on-site management and/or supervision of the work site and workers thereon. This is an eligible project cost. Construction management does **not** include work typically performed by off-site consultants or consultant organizations, grant writers, project managers, or employees of the grantee, unless the employee is hired solely and specifically to perform on-site construction management as defined above.

**** Furnishings and equipment** are considered eligible project costs as long as the average useful life of the item purchased is 13 years or more.

***** Costs directly associated with property acquisition** include appraisal fees, title opinions, surveying fees, real estate fees, title transfer taxes, easements of record, and legal expenses.

Loans and bonds in a capital campaign

The legislative intent of this program is to reward successful capital campaigns. However, the CSF board recognizes that these campaigns may take on a variety of permutations depending upon such factors as the nature of the project, the fundraising climate in a given part of the state, and an applicant's prior experience with large-scale fundraising.

For example, it may make sense for some projects to depend heavily on loans or bonds. The CSF board will consider these types of projects if they show evidence of financial sustainability.

Loans and credit are treated the same as cash in meeting a grantee's non-state match requirement — as long as

they were incurred after June 30, 2004 specifically for the project (see 3.3 on Page 13). A bridge loan could allow the release of a grantee's funds if there have been delays in the completion of its fundraising drive (see 3.5 on Page 13).

The applicant-ranking process does not treat loans the same as cash. Formula points are awarded for the percentage of funds raised, and loans may comprise no more than 25 percent of total project costs (see 2.1a on Page 18).

Bonds will be viewed as committed funds if the applicant documents:

- its bonding capacity; and
- a legal commitment to issue bonds dedicated to the project.

PART 4: CSF GRANT APPLICANT READINESS SELF-ASSESSMENT

Step 1 (below) will help you assess whether your project is eligible for a CSF grant. Step 2 (Page 18) is a self-diagnosis exercise. It **cannot** predict how we will rank your project, because that depends on unknown variables such as the number and quality of other submitted applications. In addition to the scoring criteria listed in Step 2, the CSF Advisory Board may also consider qualitative factors (see box on Page 11). However, by carefully studying this readiness self-assessment, you can better anticipate the questions that will be asked by our reviewers.

- | | |
|--|--|
| <p>1.1 Is the applicant a nonprofit organization with current 501(c)3 Internal Revenue Service registration?
Yes ___ Advance ruling ___ No ___</p> <p>1.2 Is the applicant a registered nonprofit organization in the state of Washington?
Yes ___ No ___</p> <p>1.3 Does the applicant have a legally constituted board of directors?
Yes ___ No ___</p> <p>1.4 Does the applicant possess site control through:
A. ownership of the site? Yes ___ No ___
B. a long-term lease (five years min. with an option to renew)? Yes ___ No ___
<i>(You must say "yes" to one of the above options as of the date of application submission.)</i></p> <p>1.5 Has the applicant either:
A. secured all funds needed to complete the project, or Yes ___ No ___
B. made substantial progress in a capital campaign dedicated to the project? Yes ___ No ___
<i>(You must say "yes" to one of the above options as of the date of the application submission.)</i></p> <p>1.6 Does the project include <i>major</i> new construction or renovation? (See box on Page 5)
Yes ___ No ___</p> <p>1.7 If an acquisition of bare land, will the project include construction of a facility? (See 1.1 on Page 5)
Yes ___ No ___</p> | <p>1.8 Is LEED silver standard being sought?
Yes ___ No ___
If "no," have you received an exemption from us?
Yes ___ No ___
<i>(You must enter LEED or have an exemption to be eligible; see Page 9.)</i></p> <p>1.9 Will <i>state</i> prevailing wages be paid for all construction labor costs? (See 3.7 on Page 14)
Yes ___ No ___</p> <p>1.10 Will the dominant use of the facility be for social services? (See 1.3 on Page 5)
Yes ___ No ___</p> <p>1.11 If a partnership, does the applicant possess substantial authority to manage the facility and the social services it provides? (See 1.5 on Page 6)
Yes ___ No ___ Not applicable ___</p> <p>1.12 If a LLC is involved, does the applicant have at least a controlling interest and benefits from the arrangement through lower capital costs? (See 1.6 on Page 6)
Yes ___ No ___ Not applicable ___</p> <p>1.13 Does the project include medical facilities (e.g., dental or eye care)? These are ineligible. (See 1.4 on Page 6)
Yes ___ No ___</p> <p>1.14 Is the facility a community center? These are ineligible. (See 1.4 on Page 6)
Yes ___ No ___</p> <p>1.15 Will the project include inpatient treatment or some type of residential component (e.g., transitional housing)? These are ineligible. (See 1.4 on Page 6)
Yes ___ No ___</p> |
|--|--|

To be eligible for funding, you must have answered "yes" or "not applicable" to questions 1.1 through 1.12 and "no" to questions 1.13 through 1.15. Each question represents an eligibility standard that must be met at the time your application is submitted. If you are unsure about how to answer a question, contact CTED Capital Programs staff.

Step 2: How competitive is your grant proposal?

The following questions are drawn from the selection criteria used by CSF reviewers to rank eligible applications. Applicants can earn up to 100 regular points, and up to 10 additional "high-performance building" bonus points.

2.1 POINTS ASSIGNED BY FORMULA <i>(up to 40 points out of a total of 100)</i>	POINTS
a. Percent of project funds raised – multiply it by .25 (up to 25 points) *	_____
b. Design work started – if yes, 5 points	_____
c. Professionally prepared fundraising feasibility plan completed – if yes, 5 points **	_____
d. Professionally prepared project feasibility study completed – if yes, 5 points **	_____
2.2 REVIEW PANEL SCORING CRITERIA <i>(up to 60 out of a total of 100 points)</i>	
a. PROJECT READINESS – <i>Ability to complete the proposed project promptly (up to 15 points).</i> Will your project have a reasonable chance of completion by the biennium's end (June 30, 2009)? How realistic is the fundraising timeline? Is the project free of public debates that could delay it?	_____
b. ORGANIZATIONAL CAPACITY – <i>Ability to effectively run the completed facility (up to 15 points).</i> How strong is your organization's financial and service-delivery track record? How realistic is your assessment of the financial and managerial challenges of running the completed facility? Have you done an operations (business) plan? If the project is a partnership, how stable is it? How transparent is the financial relationship?	_____
c. PROJECT RESULTS – <i>Degree project will increase efficiency/quality of activities (up to 15 points).</i> How will the proposed facility increase the efficiency and/or quality of social services provided, measured in terms of outputs (quantities such as number of clients served) or outcomes (e.g., the difference the facility will make in the lives of its clients)?	_____
d. COMMUNITY NEED – <i>Evidence of a clear and compelling community need (up to 10 points).</i> How significant is the need, both in terms of its breadth and frequency, and the level of hardship it causes? How well documented and credible is your assessment of the need? How much emphasis is placed on serving children, low-income persons, and other disadvantaged groups?	_____
e. STAKEHOLDER PARTICIPATION – <i>Partnerships with relevant stakeholders (up to 5 points).</i> What is the project's demonstrated commitment to building partnerships with other stakeholders relevant to the targeted need (e.g., as expressed by the diversity of the applicant's board of directors)?	_____
2.3 HIGH-PERFORMANCE BUILDING BONUS POINTS <i>(up to 10 extra points added to your total score)</i>	
Take the total score on Step 5 of the <i>LEED Certification Declaration</i> form and multiply it by .25. You will receive these bonus points regardless of whether you have been given an exemption from entering the LEED certification process.	_____

* Nonprofessional, in-kind labor is capped at 10 percent of total eligible project costs, and loans are capped at 25 percent. We make that calculation; be sure to list in your application all loans and nonprofessional, in-kind contributions.

** The whole point of doing these reports is to provide an independent analysis. As such, reports produced by staff or board members are not eligible for bonus points.

TOTAL
POINTS

RESOURCES

FOR HIGH-PERFORMANCE BUILDING

These resources may help you “green up” your proposed facility whether you enter the LEED certification process or receive an exemption from us (see Page 9)

US Green Building Council – Developers of LEED

www.usgbc.org

Cascadia Region Green Building Council – local chapter of USGBC

www.cascadiagbc.org

GA Green Building

www.ga.wa.gov/eas/green

GA Energy Life Cycle Cost Analysis (ELCCA)

www.ga.wa.gov/eas/elcca

Betterbricks

www.betterbricks.com

Resource Venture, Partnership of the Greater Seattle Chamber of Commerce and Seattle Public Utilities

www.resourceventure.org

Center of Excellence for Sustainable Development

www.sustainable.doe.gov

City of Seattle Sustainable Building Program

www.cityofseattle.net/sustainablebuilding or www.ci.seattle.wa.us/light/conservesustainability/resource

Environmental Building News

www.buildinggreen.com

Environmental Design + Construction Magazine

www.edcmag.com

King County Environmental Purchasing Program

www.metrokc.gov/procure/green

King County's Green Building Information & LEED Supplements

www.metrokc.gov/dnpr/swd/LEED/index.asp

Lighting Design Lab & Daylighting Lab

www.lightingdesignlab.com

National Renewable Energy Laboratory

www.nrel.gov

The American Institute of Architects (AIA) – Committee on the Environment

www.aia.org/pia/cote

Environmental Works

www.eworks.org

Dept. of Ecology

www.ecy.wa.gov/programs/swfa/greenbuilding/

SOURCE: Department of Ecology

- Get your questions answered
- Learn from other applicants
- Meet CTED Capital Programs staff

AT COMMUNITY SERVICES FACILITIES GRANT WORKSHOPS

Join us for a grant application workshop. These free workshops — offered in both Eastern and Western Washington — will consist of a brief presentation about the Community Services Facilities (CSF) program, followed by a step-by-step review of the application process, and a question-and-answer period. Because of numerous changes in our rules and procedures, we would strongly encourage even seasoned grant writers to attend.

Western Washington Workshop (Tukwila)

Monday, May 15, 2006
1-4 p.m.
Red Lion Seattle South
Duwamish Room
11244 Tukwila International Blvd.
Tukwila

For directions & parking information:

206/762-0300
<http://redlion.rdln.com/>

Eastern Washington Workshop (Moses Lake)

Thursday, May 18, 2006
1-4 p.m.
Moses Lake Convention Center
Rocky Ford Room
1475 Nelson Road NE
Moses Lake

For directions & parking information:

509/766-1416
<http://www.moseslakeecc.com/visitor.html>

CTED Capital Programs

Mailing address: P.O. Box 42525, Olympia, WA 98504-2525

Main phone: 360/725-3020

Email: Capprograms@cted.wa.gov

Web: www.cted.wa.gov/CapitalPrograms

Listserv: <http://listserv.wa.gov/archives/capital-programs.html>